



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



AUGUST 22, 2000

**Nebraska Dealing With Drought Conditions.** While other major corn-producing States are boasting higher than usual corn production, most of Nebraska has been hit with, some experts believe, the worst drought since record keeping began 105 years ago. Along with Illinois, Iowa, and Minnesota, Nebraska has traditionally been one of the top corn-producing States. According to USDA statistics, production was roughly 1.2 million bushels in 1998 and 1.5 million bushels in 1999. This year, however, based on forecasts from the Nebraska Agricultural Statistics Service, the extremely dry conditions will result in a decrease of about 5 percent, compared to 1999. "Pretty much all of the producers are feeling some affects of our dry weather," said Greg Ibach, assistant director of the Nebraska Department of Agriculture. Ibach continued, "For a lot of these dryland crops, it's too late, they're gone." Despite this loss, however, some officials consider the State fortunate to, thus far, not be affected by the fire, which is devastating land in Montana and many other western States. Overall, USDA estimates the Nation's corn production will reach nearly 10.4 million bushels for the year, compared to roughly 9.5 million bushels in 1999. (AP 8/22, USDA)

**Section Of Soo Line Purchased In South Dakota.** Facing public opposition over abandonment proposals, the Soo Line Rail Company has instead managed to sell 26.3 miles of track between Rosholt and Veblen, SD, to shortline, Sunflour Railroad, Inc. After the Surface Transportation Board (STB) denied the Soo Line's July 1999 proposal to abandon the entire line, two abandonment proposals were filed by the railroad for separate sections of the track. Public opposition over the proposed abandonment of one of these sections, however, focused primarily on the effect that a loss of rail service would have on Claire City as well as to the regional farm economy. Abandonment of the other 8.1 sections of track faced little opposition since it had not operated for more than 2 years. The STB's out-of-service rules allow abandonment of lines where service has ceased for 2 or more years. Following successful negotiations between the Soo Line and the Sunflour Railroad, the STB authorized sale of the 26.3 miles of rail line to Sunflour on July 25, 2000. Accordingly, the Soo Line requested, on August 9, 2000, that its abandonment application and abandonment notice of exemption be withdrawn (*Grainnet 8/21*)

**Data Explanations.** As was mentioned in the August 8, 2000 report, we will be providing descriptions of the various sections of the report in order to help readers understand the data and maximize its usefulness. Included this week are descriptions of *secondary rail market bids* as well as the reason and procedure for acquiring rail transportation through the *railcar "auction."*

**Secondary Rail Market Bids** (pages 2 and 3). Rail freight is generally available through tariff and guaranteed programs. Tariff car orders are placed directly with the rail carrier and are filled at published rail tariff rates. Generally, there are no on-time delivery guarantees by rail carriers for tariff freight orders. A venue of guaranteed rail freight programs offers shippers options to purchase freight with certain on-time delivery guarantees. The per-car cost for freight for shippers is equal to the premium/discount per car in the secondary market plus the published tariff rail rate.

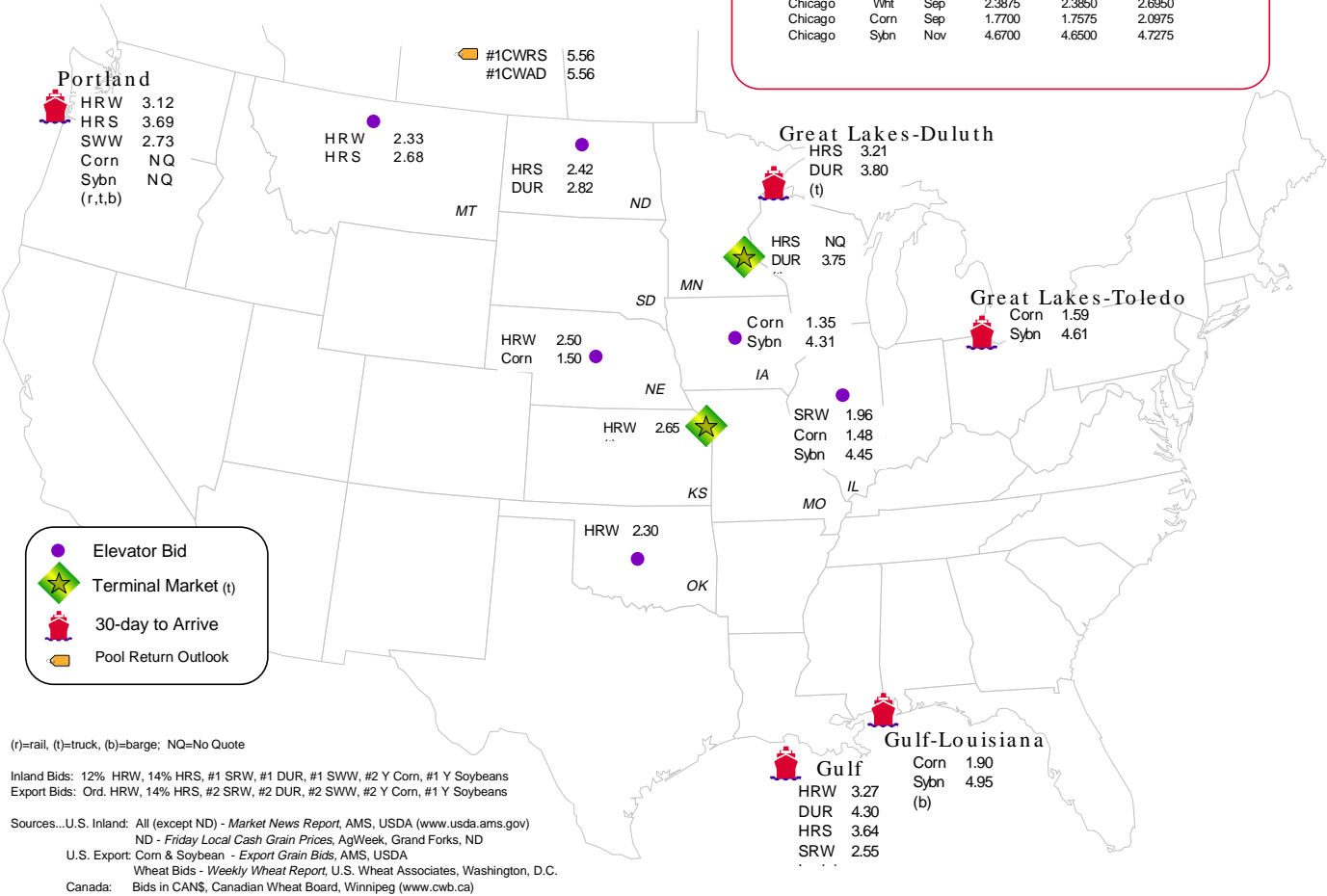
The secondary rail market information reflects trades values for sales/purchases of freight that was initially purchased from a rail carrier as some form of guaranteed freight. This market may serve as an alternative for shippers seeking to source or divest rail freight.

Data collection for each delivery month is collected for 6 months, ending on the 15th day of the delivery month. Average secondary rail market bids consider both offers to sell and bids to purchase guaranteed rail service. (Kimberly Vachal, North Dakota State University, Upper Great Plains Transportation Institute, Kimberly\_Vachal@ndsu.nodak.edu)

**Rail Car "Auction."** (page 3). The Burlington Northern Santa Fe (BNSF) and Union Pacific (UP) railroads offer a designated number of cars to shippers each month via periodic "auctions." Through these programs, shippers are purchasing a guarantee of service from the railroad. The BNSF program is labeled "Certificate of Transportation" (COT). The UP refers to its program as the "Grain Car Allocation System" (GCAS).

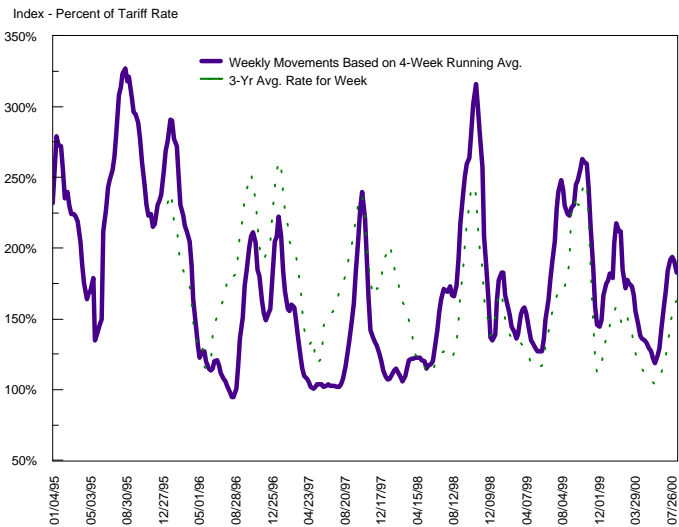
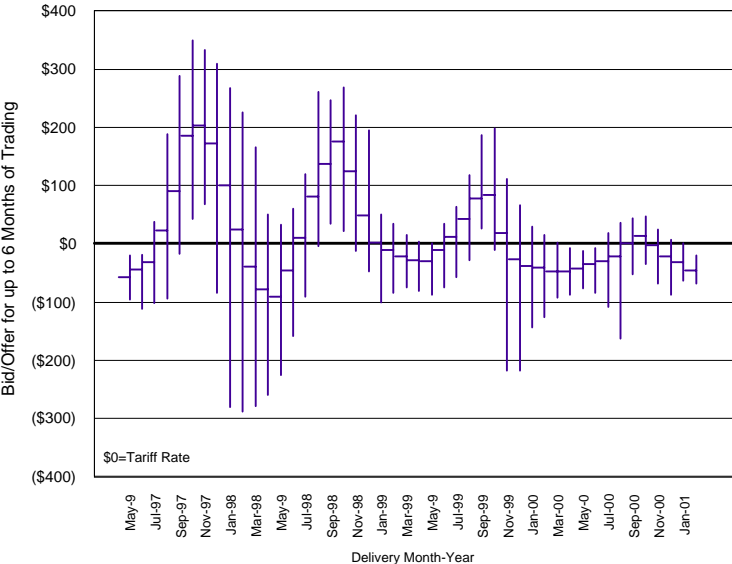
Shippers may place bids with their carrier during scheduled auctions in an attempt to guarantee service for specific delivery periods. Railroads accept the highest bids each auction period until cars are no longer available or the start of the delivery period. The per-car cost for freight purchased through these programs is equal to the "auction" bid placed by a shipper plus the published tariff rail rate. (Kimberly\_Vachal@ndsu.nodak.edu)

Grain Bid Summary



Spot Barge Rate - Illinois River

Secondary Rail Market Bids



**Rail Car 'Auction' Offerings**

Delivery for:	Sep-00		Nov-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	12,000	49%	12,540	7%
<b>UP-GCAS</b>	5,400	15%	5,400	1%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Sep-00	Oct-00	Nov-00	Dec-00
BNSF-GF	\$(17)	\$(61)	\$(71)	\$(67)
UP-Pool	\$(18)	\$1	\$(14)	\$(53)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Oct-00	Nov-00	Dec-00
COT/N. Grain	\$0	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	<b>Rate</b>	
			Bid	Offer
8/22/00	Illinois River	wk. 8/20	200*	210
		wk. 8/27	215*	230
		Sept.	260	270
		Oct.	280	290
	St. Louis	wk. 8/20	190*	200
		wk. 8/27	195	210
		Sept.	235	250
		Oct.	240	250
	Twin Cities	Sept.	285	300
		Oct.	305	320
	Mid Miss	Sept.	275	285
		Oct.	290	300

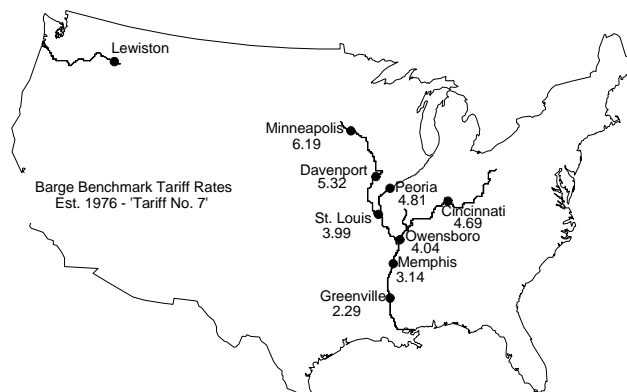
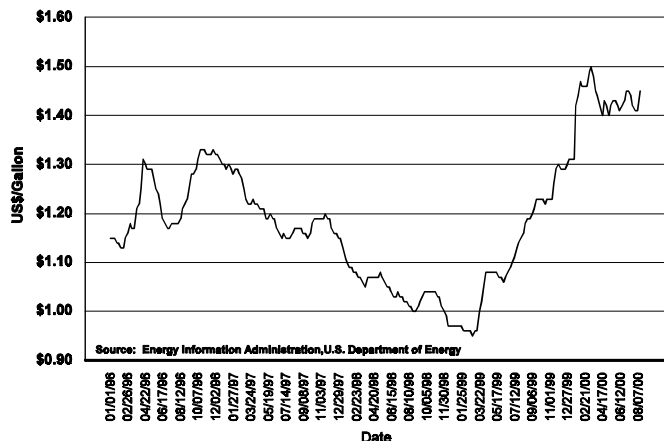
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

(\*) Traded

**Southbound Barge Freight Spot Rates**

	8/16/00	8/9/00	Sept. '00	Nov. '00
Twin Cities	200	206	263	269
Mid-Mississippi	176	181	238	199
Illinois River	163	170	229	187
St. Louis	153	153	216	161
Lower Ohio	164	168	237	171
Cairo-Memphis	148	144	213	158

Source: Transportation & Marketing /AMS/USDA  
nq=no quote;

**Weekly Retail Diesel (Road) Prices (Including Taxes)**

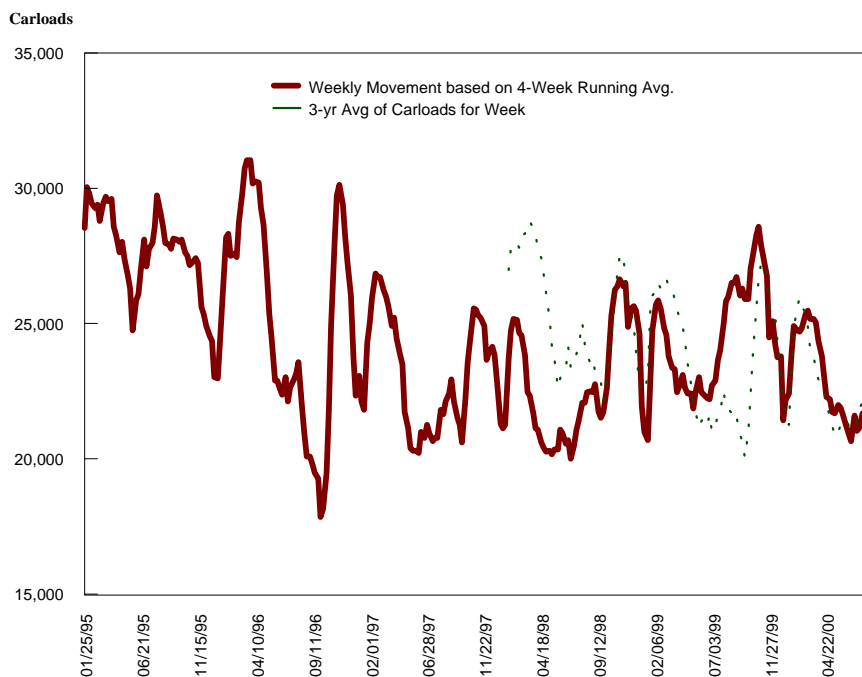
## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
8/5/00	24,180
8/12/00	22,677
8/19/00	24,082
Year to Date - 2000	764,804
Year to Date - 1999	786,430
Total 1999	1,269,741
Total 1998	1,186,117

Source: Association of American Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks



## Class I Rail Carrier Grain Car Bulletin

Carloads

			East		West		Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN CP
08/19/00	0	2,290	2,332	2,625	9,078	537	7,220	2,353 3,787
This Week Last Year	0	2,535	1,793	2,469	11,590	657	7,303	1,719 3,686
2000 YTD	0	91,001	59,656	96,147	258,266	18,040	241,694	88,287 150,196
1999 YTD	15,522	80,594	54,613	87,049	276,222	22,638	249,792	72,000 125,532
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381 206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568 215,005

Source: Association of American Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks

## Tariff Rail Rates for Unit Train Shipments

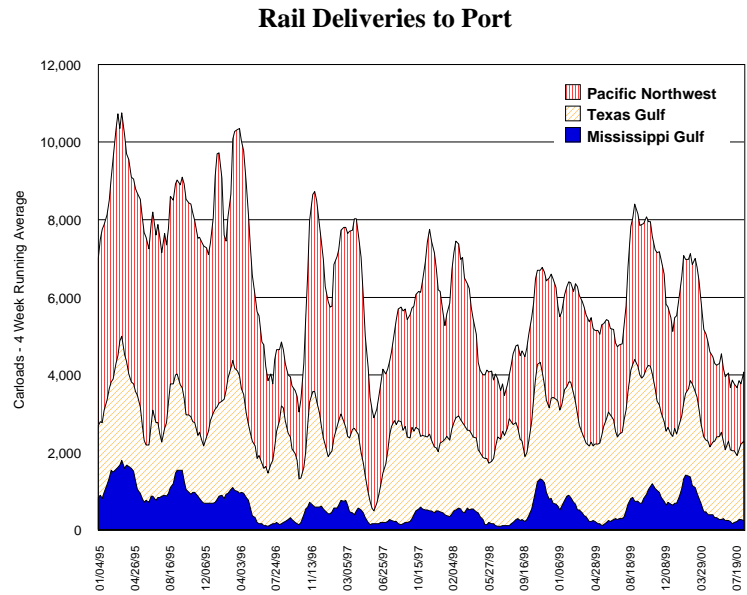
August 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
08/04/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
08/04/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
08/04/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
08/04/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,071	\$44.87	\$1.22
08/04/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
08/04/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
08/04/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
08/04/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
08/04/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,980	\$32.85	\$0.89
08/04/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,580	\$28.44	\$0.77
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

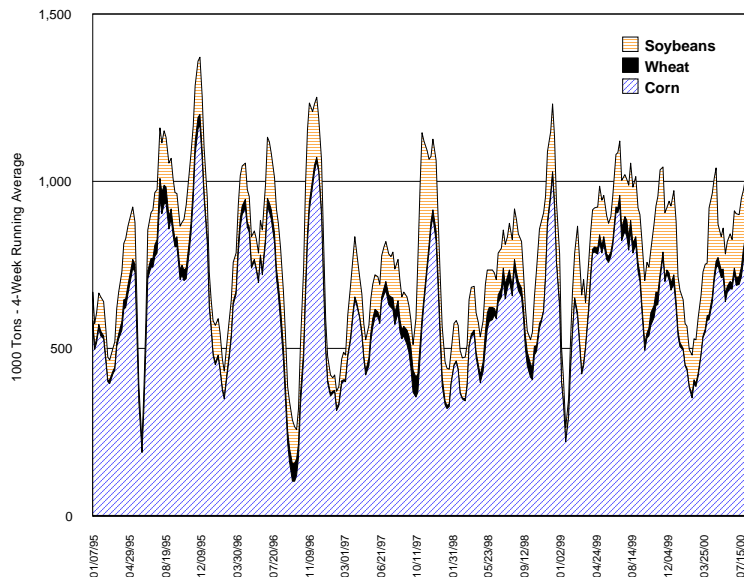
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

<b>Rail Deliveries to Port</b>				
<b>Carloads</b>				
	<b>Mississippi Gulf</b>	<b>Texas Gulf</b>	<b>Pacific Northwest</b>	<b>Atlantic &amp; East Gulf</b>
Week Ending:				
07/12/00	195	1,628	2,269	161
07/19/00	194	1,621	1,302	128
07/26/00	368	2,033	1,837	379
08/02/00	292	1,891	1,756	45
08/09/00	183	2,244	1,376	4
08/16/00	59*	2,053*	2,200	83
YTD 2000	18,803	67,207	82,288	8,253
YTD 1999	14,065	81,129	92,213	8,496
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



(\*) Incomplete Data

## Barge Movements - Locks 27



## Barge Grain Movements

for week ending 8/12/00

	<b>Corn</b>	<b>Wht</b>	<b>Sybn</b>	<b>Total</b>
<b>Mississippi River</b>				
Rock Island, IL (L15)	225	6	48	280
Winfield, MO (L25)	343	11	138	495
Alton, IL (L26)	452	19	201	677
Granite City, IL (L27)	476	19	208	713
<b>Illinois River (L8)</b>	134	3	75	217
<b>Ohio (L52)</b>	38	12	24	90
<b>Arkansas (L1)</b>	0	32	0	32
2000 YTD	20,739	1,487	5,874	29,199
1999 YTD	23,212	1,854	4,764	31,671
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers

**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
08/10/00	1,440	694	992	949	299	4,375	9,164	4,157	17,695
This Week Year Ago	1,663	355	849	527	177	3,571	9,370	3,692	16,633
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	2,120	1,112	1,096	882	273	5,483	46,180	26,331	77,995
98/99 YTD	2,900	873	1,098	654	211	5,736	47,536	17,713	70,986
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
08/24/00	172	55	0	113	752	170	216	0	0
2000 YTD	6,056	4,115	778	4,193	22,467	10,734	4,434	221	828
1999 YTD *	6,394	5,627	430	4,451	22,633	8,248	5,280	460	747
% of Last Year	56%	94%	120%	83%	72%	72%	61%	39%	59%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service \* YTD-Year-to-Date (\*98 = 53 week period)

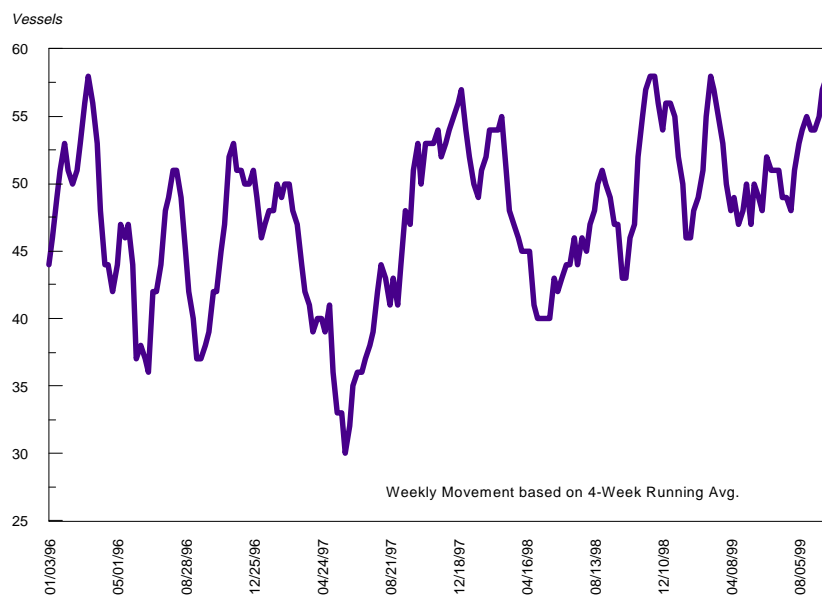
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 8/17/00			
Vancouver	552	41	29
Prince Rupert	28	0	0
Prairie Direct	33	3	13
Thunder Bay	61	55	0
St. Lawrence	163	121	0
2000 YTD Exports	837	220	42
1999 YTD Exports	675	225	69
% of Last Year	124%	98%	61%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

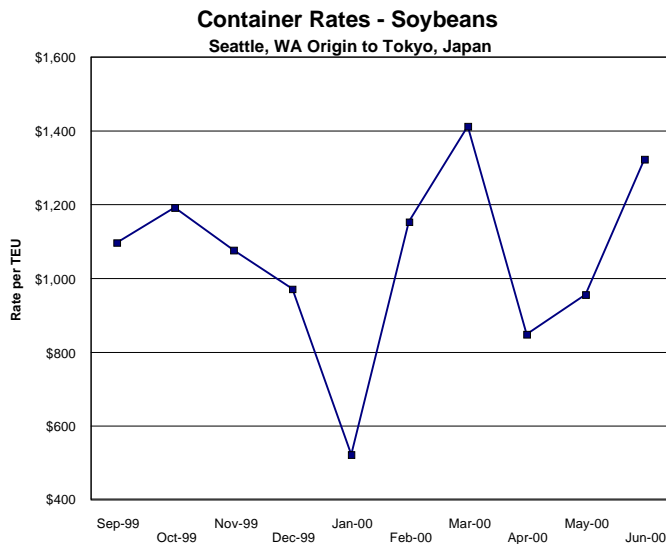
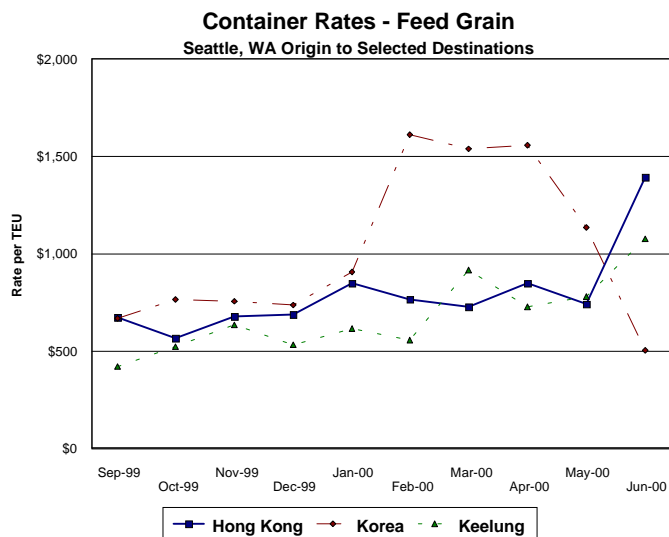
### Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
08/03/00	28	51	75	5			15	11	1
08/10/00	37	44	68	9			17	12	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

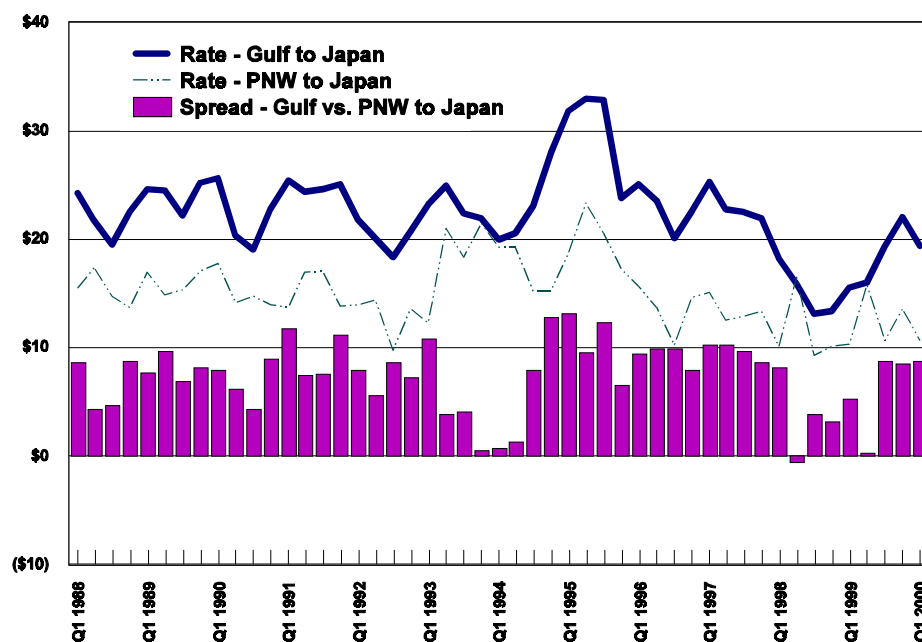
### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing /AMS/USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

## Quarterly Ocean Freight Rates

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 2 <sup>nd</sup> Qtr	1999 2 <sup>nd</sup> Qtr	% Change		2000 2 <sup>nd</sup> Qtr	1999 2 <sup>nd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$22.84	\$16.08	42%	Japan	\$14.37	\$15.83	-9%
Mexico	\$16.58	\$22.45	-26%	Red Sea/ Arabian Sea	\$33.46	\$45.80	-27%
Venezuela	\$11.34	\$13.91	-18%				
N. Europe	\$15.50	\$12.28	26%	<b>Argentina to</b>			
N. Africa	\$20.91	\$17.80	17%	N. Europe	\$18.96	\$23.92	-21%
				Japan	\$26.57	\$20.82	28%

Source: Transportation &amp; Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

## Ocean Freight Rates (Select Locations) - week ending 8/19/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Costa Rica	Heavy Grain	Aug15/18	30,750	\$17.00
Gulf	Israel	Heavy Grain	Prompt	45,000	\$16.65
Gulf	Egypt	Grains	Aug18/23	65,500	\$15.85
Gulf	China	Heavy Grain	Aug18/25	55,000	\$23.25
PNW	Japan	Heavy Grain	Aug25/Sep5	54,000	\$15.75
S. Brazil	Adriatic	Meals/Pellets	Spot	20,000	\$22.75
Brazil	Turkey	Grains	Aug18/25	24,000	\$20.50
China	Malaysia	Corn	Aug25/30	20,000	\$11.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option